



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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December 18, 2012

TO: Supervisor Mark Ridley-Thomas, Chairman  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe *Wendy L. Watanabe*  
Auditor-Controller

SUBJECT: **MEASURE B SPECIAL TAX REVENUE FUND FOR TRAUMA CENTERS,  
EMERGENCY MEDICAL SERVICES AND BIOTERRORISM RESPONSE**

Section 8 of the Los Angeles County Board of Supervisors Measure B Resolution requires the County Auditor-Controller to file an annual statement of financial activity with your Board no later than January 1<sup>st</sup> of each year. Accordingly, Attachment I reflects the Statement of Financial Activity for the Health Services Measure B Special Tax Fund for the Fiscal Year (FY) ended June 30, 2012. The Statement includes a summary of the amount of funds collected and expended pursuant to Measure B.

Section 8 also requires a status of projects required or authorized to be funded pursuant to Sections 3, 6, and 7 of the Resolution. Accordingly, Attachment II presents the Status of Measure B Projects for FY 2011-12 as provided by the Department of Health Services.

If you have any questions related to the Statement of Financial Activity, please contact me, or your staff may contact Rachelle Anema at (213) 974-8327. Questions related to the Status of Measure B Projects may be directed to Eva Guillen of the Department of Health Services at (213) 240-7875.

WLW:JN:CY:JG:RA:rr

H:\Special Funds\Special Funds Unit\MEASURE B-BW9\FY2011-2012 Measure B\Final Measure B Cover Letter FY2011-12.doc

**Attachments**

c: William T Fujioka, Chief Executive Officer  
Sachi A. Hamai, Executive Officer, Board of Supervisors  
Mitchell H. Katz, M.D., Health Services Director  
Santos H. Kreimann, Chief Deputy Assessor  
Mark J. Saladino, Treasurer and Tax Collector

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**Measure B Special Tax Revenue Fund**  
**For Emergency Medical Services, Trauma Centers, and Bioterrorism Response**  
**Statement of Financial Activity**  
**For the Fiscal Year (FY) Ended June 30, 2012**

**Revenues:**

Voter Approved Special Taxes	\$ 253,060,698
Penalties, Interest & Costs - Delinquent Taxes	1,675,388
Interest Earnings	659,058
Net Prior Year Refunds - Non-County Hospitals	702,656
Total Revenues	<u>\$ 256,097,800</u>

**Fiscal Year 2011-2012 Expenditures:**

Services and Supplies:

### Non-County Trauma Hospitals

Claims Based Expenditures FY 2011-12:

Antelope Valley Hospital	\$	280,876	
California Hospital Medical Center		2,234,567	
Cedars-Sinai Medical Center		231,142	
Henry Mayo Newhall Memorial Hospital		18,583	
Long Beach Memorial Medical Center		745,998	
Northridge Hospital		487,345	
Huntington Memorial Hospital		649,009	
Providence Holy Cross Medical Center		2,138,423	
St. Francis Medical Center		1,090,470	
St. Mary Medical Center		383,188	
Ronald Reagan UCLA Medical Center		234,600	
Refunds for FY 11-12		<u>(88,051)</u>	
Total Claims Based Expenditures	\$		8,406,150

### Transitional Capacity Allowance

St. Francis Medical Center	\$ 1,721,850	
Refunds for FY 11-12	<u>(135,125)</u>	
Total Transitional Capacity Allowance		1,586,725

### Lump-Sum Funding

Ronald Reagan UCLA Medical Center - Base Station	\$	721,236	
Ronald Reagan UCLA Medical Center - Direct Patient Care		<u>423,896</u>	
Total Lump-Sum Funding			1,145,132

Total Non-County Trauma Hospitals

\$ 11,138,007

## Enhanced Trauma Access

County Fire Department - Helicopter Lease	\$	873,603
County Fire Dept - SGV Paramedic Air Squad		450,000
Sheriff's Department - Air Search and Rescue		968,251
City of Los Angeles Fire Dept. - Trauma Air Transport		<u>1,100,000</u>
Total Enhanced Trauma Access	\$	3,391,854

## Physicians Services for Indigent Program (PSIP)

PSIP - Trauma	\$ 4,350,000	
PSIP - Emergency Room	<u>366,000</u>	
Total PSIP		4,716,000

### Auditor-Controller Services

761,560

## Total Services and Supplies

\$ 20,007.421

**Measure B Special Tax Revenue Fund**  
**For Emergency Medical Services, Trauma Centers, and Bioterrorism Response**  
**Statement of Financial Activity**  
**For the Fiscal Year (FY) Ended June 30, 2012**

Other Charges - Inter-Governmental Transfers (IGT):		
IGT - FY 2011-12 - Direct Patient Care	\$ 11,987,134	
IGT - FY 2011-12 - Base Station	<u>3,325,836</u>	
Total IGT - FY 2011-12		<u>\$ 15,312,970</u>
Total Other Charges		15,312,970
Other Financing Uses - Operating Transfers Out:		
County Hospitals		
LAC+USC Medical Center	\$ 72,696,500	
Harbor-UCLA Medical Center	63,363,500	
Olive View-UCLA Medical Center	<u>58,072,000</u>	
Total County Hospitals		\$ 194,132,000
Public Health - Bioterrorism		
Salaries & Employee Expenses	\$ 5,405,910	
Other Operating Expenses	<u>3,801,090</u>	
Total Public Health - Bioterrorism		9,207,000
Emergency Medical Services		
Salaries & Employee Expenses	\$ 1,696,500	
Other Operating Expenses	<u>59,500</u>	
Total Emergency Medical Services		<u>1,756,000</u>
Total Other Financing Uses - Operating Transfers Out		<u>205,095,000</u>
Total Fiscal Year 2011-2012 Expenditures		\$ 240,415,391
Prior Year Expenditures:		
IGT - FY 10-11 Direct Patient Care, Final Installment	\$ 12,396,872	
Non-County Trauma Hospitals	633,349	
PSIP - Prior Year	<u>(52)</u>	
Total Prior Year Expenditures		<u>13,030,169</u>
Grand Total Expenditures		<u>\$ 253,445,560</u>
Excess Revenue Over Expenditures		\$ 2,652,240
Less: Contractual Obligations		
Net Cancellations of Prior Year Commitments		15,027,862
Commitments Outstanding at Fiscal Year End		<u>(12,619,922)</u>
Net change in Fund Balance		\$ 5,060,180
Available Fund Balance, July 1, 2011		<u>5,935,430</u>
Available Fund Balance, June 30, 2012		<u>\$ 10,995,610</u>

**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Status of Measure B Projects  
For the Fiscal Year (FY) Ended June 30, 2012**

**COUNTYWIDE SYSTEM OF TRAUMA CENTERS: \$194.1 million allocated to County hospitals; \$39.9 million allocated to non-County hospitals**

County Hospitals

A total of \$194.1 million was allocated from Measure B revenues for trauma and emergency care services provided by the three County hospitals to eligible indigent patients. The budgeted funds were allocated as follows:

LAC+USC Medical Center	\$103.3 million
Harbor-UCLA Medical Center	50.7 million
Olive View-UCLA Medical Center	<u>40.1 million</u>
Total	<u>\$194.1 million</u>

Status: The FY 2011-12 funds were proportionally distributed to the three County Facilities based on actual un-reimbursable costs at each hospital. On average, Measure B funding covered about 49.4% of the total unreimbursed emergency room costs for the Department.

LAC+USC Medical Center	\$ 72.7 million
Harbor-UCLA Medical Center	63.3 million
Olive View-UCLA Medical Center	<u>58.1 million</u>
Total	<u>\$194.1 million</u>

Non-County Hospitals

DHS exercised its delegated authority to extend the Trauma Center Service Agreement (TCSA) with twelve non-County trauma centers for another year ending on June 30, 2012. A total of \$39.9 million was allocated from Measure B revenues for trauma and emergency care services provided by non-County hospitals to eligible indigent patients. The budgeted funds to non-County hospitals were distributed as follows:

Claim-Based Payments	\$ 8.5 million
Lump-Sum Patient Care Payments	25.1 million
Lump-Sum Base Station Payments	4.0 million
Transitional Capacity Allowance	<u>2.3 million</u>
Total	<u>\$39.9 million</u>

**Measure B Special Tax Revenue Fund**  
**For Emergency Medical Services, Trauma Centers, and Bioterrorism Response**  
**Status of Measure B Projects**  
**For the Fiscal Year (FY) Ended June 30, 2012**

The status of these projects is as follows:

Claim-Based Payments – A total of \$8.5 million was allocated to pay medical claims for uninsured patients submitted by non-County trauma hospitals on a first-submitted, first-validated and paid basis, using a per diem schedule of rates as per the County's contract with these trauma hospitals.

Status: At the close of Fiscal Year 2011-12, a net total of \$8.4 million in claims had been paid to the designated non-County trauma hospitals. This included total refunds of \$0.1 million which were returned to the County, because a third-party payer was identified after County payments of the claims to the hospitals.

Balance: \$0.1 million was unexpended and unencumbered, and remained in the Measure B fund.

Lump-Sum Patient Care Payments – A total of \$25.1 million in lump-sum funding was allocated for 12 non-County trauma hospitals. Under the Trauma Center Service Agreement (TCSA), this funding will be used as an intergovernmental transfer (IGT) to draw down federal Medi-Cal matching funds for 10 non-County trauma hospitals, and also as direct payments to Antelope Valley Hospital and Ronald Reagan UCLA Medical Center (as public hospitals, Antelope Valley Hospital and Ronald Reagan UCLA Medical Center (UCLA) participate in a program that precludes them from receiving these Medi-Cal matching funds).

Status: In accordance with the State Plan Amendment (SPA) on enhanced Medi-Cal payments to private trauma hospitals (effective July 1, 2003, approved by the federal Centers for Medicare and Medicaid Services on March 31, 2005), and the agreement between the California Department of Health Care Services (DHCS) and the County, an initial installment of \$12.0 million for FY 2011-12 lump-sum patient care services was included in the inter-governmental transfer (IGT) to DHCS to draw down federal matching funds. This amount had erroneously included \$0.3 million for Antelope Valley Hospital (AVH), a hospital owned by the Antelope Valley District and considered a public hospital, therefore ineligible to receive Federal matching funds. Excluding AVH, it is expected that the ten private hospitals will receive total enhanced Medi-Cal payments of \$23.4 million<sup>(1)</sup>, based on the applicable Federal Medical Assistance Percentage (FMAP) rate of 50% and pending DHCS' approval of the IGT. The amount to AVH which was erroneously included in the IGT will be returned by DHCS to the County for

**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Status of Measure B Projects  
For the Fiscal Year (FY) Ended June 30, 2012**

direct payment to AVH without the Federal match.

In addition to the IGT, an initial payment of \$0.4 million for FY 2011-12 lump-sum patient care services was issued directly to Ronald Reagan UCLA Medical Center (UCLA).

At the close of FY 2011-12, the following encumbrances remained in the Measure B fund for final payment of FY 2011-12 lump-sum patient care services: Ronald Reagan UCLA Medical Center, \$0.5 million; IGT to the State of California, \$11.8 million<sup>(1)</sup>.

Balance: \$0.4 million was unexpended and unencumbered, and remained in the Measure B fund.

Base Station Payments - A total of \$4.0 million in lump-sum, hospital specific payments was allocated to non-County hospitals providing base station services.

Status: A total of \$3.3 million was included in the IGT to DHCS to draw down Federal matching funds. This amount had erroneously included \$0.3 million for Antelope Valley Hospital (AVH), a hospital owned by the Antelope Valley District and considered a public hospital, therefore ineligible to receive Federal matching funds. Excluding AVH, it is expected that the nine private hospitals (Children's Hospital of Los Angeles did not provide base station services) will receive total enhanced Medi-Cal payments of \$6.0 million<sup>(1)</sup>, based on the applicable Federal Medical Assistance Percentage (FMAP) rate of 50% and pending DHCS' approval of the IGT. The amount to AVH which was erroneously included in the IGT will be returned by DHCS to the County for direct payment to AVH without the Federal match.

In addition to the IGT, a payment of \$0.7 million was issued directly to Ronald Reagan UCLA Medical Center for providing base station hospital services for FY 2011-12.

Balance: None

Transitional Capacity Allowance - A total of \$2.3 million was allocated to St. Francis Medical Center (SFMC) for provision of emergency care to eligible indigent patients under the Trauma Center Service Augmentation Agreement (TCSAA). The eligible indigent patients are those who either arrive at SFMC via paramedic ambulance or

**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Status of Measure B Projects  
For the Fiscal Year (FY) Ended June 30, 2012**

are directly admitted to an inpatient bed from the SFMC emergency room during the period from July 1, 2011 through June 30, 2012.

Status: At the close of FY 2011-12, a net total of \$1.6 million had been paid to SFMC for services provided under the TCSAA and \$0.3 million remained in encumbrance.

Balance: \$0.4 million was unexpended and unencumbered, and remained in the Measure B fund.

**PHYSICIAN SERVICES FOR INDIGENTS PROGRAM: \$4.7 million allocated**

The FY 2011-12 Board Adopted Final Budget included an allocation of \$4.7 million from Measure B revenues to fund private physician trauma services provided to eligible indigent patients within Los Angeles County, and private physician emergency services provided to eligible indigent patients at St. Francis Medical Center.

The status of these projects is as follows:

Status: At the close of FY 2011-12, payments totaling \$1.8 million were issued to private physicians for trauma services. The remaining \$2.9 million was established as accrued liabilities for pending trauma and emergency claims.

**TRAUMA ACCESS EXPANSION TO UNDERSERVED AREAS: \$4.4 million allocated**

The FY 2011-12 Board Adopted Final Budget included \$4.4 million for expanded access to trauma services for patients in underserved areas (Antelope Valley, East San Gabriel Valley, San Fernando Valley, and Malibu) and to ensure that the infrastructure for trauma transports is maintained. The budgeted funds were allocated as follows:

LA County Fire Dept. – Helicopter Lease/Trauma Air Transport	\$1.0 million
LA County Fire Dept. - Paramedic Air Squad in E. San Gabriel Valley	0.5 million
LA County Sheriff's Dept. – Air Search and Rescue in Antelope Valley	1.0 million
LA City Fire Dept. – Trauma Air Transport in San Fernando Valley	1.1 million
Unallocated	<u>0.8 million</u>
Total	<u>\$4.4 million</u>

The status of these projects is as follows:

**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Status of Measure B Projects  
For the Fiscal Year (FY) Ended June 30, 2012**

Helicopter Lease/Trauma Air Transport – A total of \$1.0 million was allocated to fund the Los Angeles County Fire Department's helicopter lease/trauma air transport costs related to the expanded 24-hour/7-day-a-week level of air ambulance services in the Antelope Valley.

Status: A total of \$0.9 million was transferred from the Measure B fund to the Los Angeles County Fire Department to cover actual costs incurred for the lease and services.

Balance: \$0.1 million was unexpended and unencumbered, and remained in the Measure B fund.

Aircraft Transport Capabilities – A total of \$2.6 million was allocated for funding to Los Angeles County Fire Department, Sheriff's Department, and Los Angeles City Fire Department for providing expanded trauma and paramedic air transport services to patients in the underserved areas for access to trauma centers.

Status: A total of \$2.5 million was transferred from the Measure B fund to the following departments: Los Angeles County Fire Department for expanding the delivery of paramedic air squad services to East San Gabriel Valley, \$0.4 million; Sheriff's Department for the staffing and operational costs related to air search and rescue services in the Antelope Valley, \$1.0 million; Los Angeles City Fire Department for providing trauma air transport services in the San Fernando Valley and surrounding communities, \$1.1 million.

Balance: \$0.1 million was unexpended and unencumbered, and remained in the Measure B fund.

Unallocated: \$0.8 million was unexpended and unencumbered, and remained in the Measure B fund.

**BIOTERRORISM RESPONSE: \$9.2 million allocated**

The FY 2011-12 Board Adopted Final Budget included an allocation of \$9.2 million to support the County's Public Health programs for bioterrorism preparedness activities and addressing the medical needs of people exposed to bioterrorist or chemical attacks.

Status: A total of \$9.2 million was transferred to Public Health to cover the following actual costs incurred for the bioterrorism preparedness activities:



**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Status of Measure B Projects  
For the Fiscal Year (FY) Ended June 30, 2012**

salaries and benefits, \$5.4 million; equipment, supplies and expenses, \$3.8 million.

**EMERGENCY MEDICAL SERVICES AGENCY: \$1.8 million allocated**

The FY 2011-12 Board Adopted Final Budget included an allocation of \$1.8 million to support the County's Emergency Medical Services Agency for the administration and coordination of trauma and emergency services which are related to pre-hospital and hospital emergency care, including the care provided in, en route to, from or between acute care hospitals and other health care facilities.

Status: A total of \$1.8 million was transferred to the County's Emergency Medical Services Agency to cover the actual costs incurred for the administration and coordination of trauma and emergency services: salaries and benefits, \$1.7 million; equipment and supplies, \$0.1 million.

**ADMINISTRATIVE COSTS: \$1.0 million allocated**

The FY 2011-12 Board Adopted Final Budget included an allocation of \$1.0 million to cover the administrative costs incurred pertaining to the assessment, collection and accounting services for the Measure B Special Tax revenues.

Status: A total of \$0.8 million was transferred to the Auditor-Controller to cover the administrative costs associated with the assessment, collection and accounting of Measure B revenues.

Balance: \$0.2 million was unexpended and unencumbered, and remained in the Measure B fund.

**Measure B Special Tax Revenue Fund**  
**For Emergency Medical Services, Trauma Centers, and Bioterrorism Response**  
**Status of Measure B Projects**  
**For the Fiscal Year (FY) Ended June 30, 2012**

FOOTNOTES:

(1) With the approval of Federal matching funds for Initial and Final IGTs, the private trauma hospitals will receive an additional \$26.5 million in supplemental Medi-Cal funding, bringing the total funding to \$53.0 million.

	<u>County IGT</u>	<u>Medi-Cal Matching Funds</u>	<u>Total Funding to Private Trauma Hospitals</u> <sup>(a)</sup>
Initial Transfer	\$15.3 million		
AVH <sup>(b)</sup>	<u>(0.6 million)</u>		
Correct Transfer	\$14.7 million	\$14.7 million	\$29.4 million <sup>(c)</sup>
Final Transfer:	<u>11.8 million</u>	<u>11.8 million</u>	<u>23.6 million</u> <sup>(d)</sup>
Total	<u>\$26.5 million</u>	<u>\$26.5 million</u>	<u>\$53.0 million</u>

(a) Excludes payments to Ronald Reagan UCLA Medical Center and Antelope Valley Hospital (AVH) which are public hospitals and ineligible to receive Federal matching funds.

(b) Antelope Valley Hospital (AVH) is a district hospital and considered a public hospital; therefore ineligible to receive Federal matching funds. The amount to AVH erroneously included in the Initial IGT will be returned by DHCS to the County for direct payment to AVH without the Federal match.

(c) Includes \$23.4 million for patient care services (\$11.7 million County IGT plus \$11.7 million matching funds pending approval by DHCS), and \$6.0 million for base station services (\$3.0 million County IGT plus \$3.0 million matching funds pending approval by DHCS). Applicable Federal Medical Assistance Percentage (FMAP) rate for Initial Transfer is 50%.

(d) Recommended amount to be distributed to Private Trauma Hospitals in FY 2012-13, subject to California DHCS' review and approval. Applicable FMAP rate for Final Transfer is 50%.

Prepared By:  
Los Angeles County  
Department of Health Services  
Fiscal Services  
JW/ml 11/30/2012